

Message Text

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S E C R E T SECTION 1 OF 2 LUXEMBOURG 0079

FOR EUR ONLY

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SUBJECT: US GOALS AND OBJECTIVES IN LUXEMBOURG

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1. RELATIONS WITH PRIME MINISTER THORN.

A) DURING 1978 GASTON THORN WILL REMAIN THE KEY FIGURE IN US-LUXEMBOURG RELATIONS. AS PRIME MINISTER, FOREIGN MINISTER, MINISTER FOR ECONOMIC AFFAIRS, HEAD OF LUXEMBOURG'S LIBERAL PARTY, PRESIDENT OF THE EEC FEDERATION OF LIBERAL AND DEMOCRATIC PARTIES AND PRESIDENT OF THE LIBERAL PARTY INTERNATIONAL, THORN IS A POLITICAL ONE-MAN BAND. HE DOMINATES THE LIBERAL/SOCIALIST COALITION GOVERNMENT AND SHAPES ALL SIGNIFICANT DOMESTIC AND FOREIGN POLICIES. HE IS AN ACTIVIST WHOSE STATESMANSHIP AND INTERNATIONAL PRESTIGE GIVE HIM LEVERAGE WITHIN THE EEC AND INFLUENCE ON THE INTERNATIONAL SCENE GREATER THAN LUXEMBOURG'S SIZE OR POLITICAL AND ECONOMIC IMPORTANCE WOULD NORMALLY WARRANT. IN THE LAST MONTH, FOR EXAMPLE, IN ADDITION TO ATTENDING EEC MEETINGS IN BRUSSELS AND ELSEWHERE, THORN HAS ENTERTAINED THE DUTCH PRIME MINISTER AND FOREIGN MINISTER IN LUXEMBOURG, LUNCHEDED IN NEW YORK WITH DOUGLAS DILLON AND A GROUP OF PROMINENT AMERICAN

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BUSINESSMEN AND BANKERS, LUNCHEDED WITH PRIME MINISTER TRUDEAU IN OTTAWA, MET WITH PRIME MINISTER ANDREOTTI AND FOREIGN MINISTER FORLANI IN ROME, MADE A TWO-DAY VISIT TO JERUSALEM (AS PRESIDENT OF THE LIBERAL INTERNATIONAL) AND IS PLANNING A THREE DAY OFFICIAL VISIT TO CAIRO IN FEBRUARY. IN PURSUING ALL OF OUR OBJECTIVES AND GOALS IN LUXEMBOURG, BUT ESPECIALLY IN MAINTAINING GOL SUPPORT FOR OUR INTERNATIONAL POLITICAL,

ECONOMIC AND HUMAN RIGHTS POLICIES, WE WILL NEED GASTON THORN'S PERSONAL SUPPORT.

B) MY NUMBER ONE PRIORITY SINCE ARRIVING HERE IN JUNE 1977, THEREFORE, HAS BEEN TO DEVELOP THE BEST POSSIBLE WORKING RELATIONSHIP WITH THE PRIME MINISTER. SEVERAL FACTORS HAVE BEEN HELPFUL: FIRST, IT IS NO SECRET THAT THORN FORMALLY ASKED THE INCOMING CARTER ADMINISTRATION TO BREAK WITH RECENT TRADITION BY APPOINTING A CAREER AMBASSADOR TO LUXEMBOURG; NOW THAT HIS REQUEST HAS BEEN GRANTED, THORN IS DETERMINED TO DO HIS PART TO MAKE THE EXPERIMENT A SUCCESS. SECOND, THORN SAW PRESIDENT CARTER'S AND SECRETARY VANCE'S WILLINGNESS TO MEET WITH HIM IN NEW YORK LAST OCTOBER AS EVIDENCE THAT THE UNITED STATES TAKES HIM SERIOUSLY AS AN INTERNATIONAL STATESMAN. THIRD, THORN HAS GIVEN ME FAR MORE CREDIT THAN I DESERVE FOR MONSANTO'S DECISION NOT TO CLOSE ITS PLANT HERE, FOR GETTING THE NEGOTIATIONS WITH THE U.S. ARMY ON STORAGE SITES (PARA 3.B BELOW BACK ON THE TRACK AND FOR THE ARRANGEMENTS FOR HIS VISIT TO WASHINGTON IN OCTOBER. AS A RESULT, THORN HAS BEEN TOTALLY ACCESSIBLE TO ME AND HAS MADE IT CLEAR ON NUMEROUS OCCASIONS THAT HE WANTS TO FACTOR THE AMERICAN POINT OF VIEW INTO GOL FOREIGN POLICY AND TO USE HIS INFLUENCE IN THE EEC AND ELSEWHERE IN COOPERATION WITH THE UNITED STATES.

C) I HAVE NO INTENTION OF ARGUING HERE THAT THORN'S ROLE IN US/EUROPEAN RELATIONS IS CRITICAL. ADMITTEDLY, THE PRAC-
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TICAL PAYOFF FOR THE UNITED STATES FROM THORN'S RELATIONSHIPS WITH HELMUT SCHMIDT, GISCARD D'ESTAING AND OTHER EUROPEAN LEADERS IS QUESTIONABLE, AND HE CERTAINLY HAS NO MORE INFLUENCE WITHIN THE EEC THAN ANY OF THE OTHER NINE AND CONSIDERABLY LESS THAN MOST OF THEM. MY POINT IS SIMPLY THAT WHILE THORN IS ONLY ONE OF NINE, HE IS THE MOST PRO-AMERICAN OF THEM ALL AND THUS HAS SOME POTENTIAL, PARTICULARLY WITHIN THE EEC, TO BE HELPFUL. I BELIEVE THAT POTENTIAL IS GOING LARGELY UNEXPLOITED, AND THAT WE SHOULD TAKE ADVANTAGE OF THORN'S WILLINGNESS --IN FACT, EAGERNESS -- TO USE HIS GOOD OFFICES.

2. RELATIONS WITH THE GOL OFFICIALS AND OPPOSITION LEADERS.

A) WHILE PARTICULAR ATTENTION MUST BE FOCUSED ON THORN, THE EMBASSY WILL MAINTAIN ITS ALREADY EXCELLENT RELATIONS WITH OTHER GOL OFFICIALS. EMBASSY OFFICERS SEE THEIR COUNTERPARTS IN THE GOL MINISTRIES REGULARLY; FOR EXAMPLE, THE DCM HAS WEEKLY MEETINGS WITH THE MFA DIRECTOR FOR POLITICAL AFFAIRS, AND THE CONOMIC OFFICER IS IN FREQUENT TOUCH WITH OFFICIALS RESPONSIBLE FOR THE NORTH-SOUTH DIALOGUE, MTN, ENERGY AND OTHER INTERNATIONAL ECONOMIC ISSUES. DURING THE PAST YEAR, TWO GOVERNMENT MINISTERS AND AN IMPORTANT MINISTRY

OF FINANCE OFFICIAL WENT TO THE UNITED STATES ON FULL OR PARTIAL LEADER GRANTS. THIS YEAR THE PRESIDENT OF THE SOCIALIST PARTY AND THE HEAD OF LUXEMBOURG'S MAJOR LABOR UNION HAVE ACCEPTED GRANTS, AND WE PLAN TO OFFER ADDITIONAL GRANTS TO SEVERAL OTHER GOVERNMENT AND OPPOSITION LEADERS.

B) THE OPPOSITION CHRISTIAN SOCIALISTS WILL BE A SPECIAL TARGET FOR EMBASSY CONTACTS DURING THE NEXT 12-18 MONTHS. LEGISLATIVE ELECTIONS ARE SCHEDULED FOR MAY 1979. IT IS TOO EARLY TO PREDICT THEIR OUTCOME, BUT THERE IS NO DOUBT THAT THE PRESENT COALITION GOVERNMENT WILL BE SERIOUSLY CHALLENGED AT THE POLLS. THE RECESSION IN THE STEEL INDUSTRY CONTINUES WITH NO UPTURN IN SIGHT, AND UNEMPLOYMENT IS RISING. IN THESE CIRCUMSTANCES, IT IS CONCEIVABLE THAT THE VOTERS WILL TURN TO
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THE CHRISTIAN SOCIALISTS WHO LED THE COUNTRY DURING THE YEARS OF UNPRECEDENTED PROSPERITY IN THE 1960'S AND EARLY 1970'S. I MAKE A SPECIAL EFFORT TO SEE THE HEAD OF THE PARTY, FORMER PRIME MINISTER PIERRE WERNER, REGULARLY, AND TO INCLUDE CHRISTIAN SOCIALISTS LEADERS IN AS MANY SOCIAL AND OFFICIAL

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S E C R E T SECTION 2 OF 2 LUXEMBOURG 0079

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FUNCTIONS AS POSSIBLE.

3. ECONOMIC GOALS AND OBJECTIVES.

A) THORN RETURNED FROM HIS JANUARY 12 MEETING IN NEW

YORK WITH AMERICAN BUSINESSMEN AND BANKERS ENCOURAGED BY THEIR APPARENT GOOD WILL TOWARDS LUXEMBOURG BUT UNDER NO ILLUSION THAT NEW INVESTMENT WILL COME EASILY OR RAPIDLY. THE EMBASSY WILL CONTINUE TO SUPPORT GOL EFFORTS TO BRING IN NEW US INVESTMENT BY PROVIDING INFORMATION AND ADVICE TO POTENTIAL INVESTORS. WE WILL ALSO CONTINUE TO MAKE OUR GOOD OFFICES AVAILABLE TO INDUSTRIES ALREADY HERE TO INSURE THAT THEIR EXCELLENT RELATIONS WITH THE GOL AND THE GOOD CLIMATE FOR US INVESTMENT IN LUXEMBOURG ARE MAINTAINED.

B) THE MOST IMPORTANT CONTRIBUTION WE CAN MAKE IN THE SHORT RUN IS TO BRING THE CURRENT US ARMY STORAGE SITE NEGOTIATIONS TO A SUCCESSFUL CONCLUSION. UNLESS THERE ARE UNEXPECTED SNAGS, AN AGREEMENT WHICH IS FAVORABLE FOR THE US ARMY AND WHICH WILL ALSO CREATE 600-700 JOBS FOR LUXEMBOURGERS WILL BE INITIALED BEFORE THE SUMMER. THIS AGREEMENT WILL ALSO ADVANCE U.S. DEFENSE OBJECTIVES BY STRENGTHENING LUXEMBOURG'S TIES WITH THE US ARMY AND ENHANCING LUXEMBOURG'S CONTRIBUTION TO NATO DEFENSE.

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C) AS IN LUXAIR'S RECENT PURCHASE OF TWO BOEING 737'S AND CARGOLUX PURCHASE OF A 747, THE EMBASSY WILL CONTINUE TO FACILITATE THE SALE OF AMERICAN GOODS AND EQUIPMENT IN LUXEMBOURG. WHILE THERE IS NO COUNTRY COMMERCIAL PLAN, THE EMBASSY MAINTAINS CLOSE CONTACT WITH THE COMMERCIAL SECTION, THE AGRICULTURAL ATTACHE AND THE FAA OFFICE AT EMBASSY BRUSSELS TO COORDINATE BENELUX EVENTS PROMOTING U.S. COMMERCIAL GOALS. A BENELUX TRADE MISSION IN MARCH 1977 WAS ONE PRODUCT OF THIS COOPERATION.

D) THE ECONOMIC OFFICER HAS GOOD WORKING RELATIONS WITH THE LUXEMBOURG CHAMBER OF COMMERCE, FEDERATION OF MANUFACTURERS, STEEL ASSOCIATION, LABOR UNIONS AND THE ECONOMICS, TRADE, FOREIGN AFFAIRS AND LABOR MINISTRIES. HE HAS KEPT THEM CURRENTLY INFORMED OF U.S. POLICY INTERESTS ACROSS THE FULL SPECTRUM OF INTERNATIONAL ECONOMIC AND TRADE ISSUES, INCLUDING, MOST RECENTLY, U.S. STEEL IMPORT POLICY AND THE MULTILATERAL TRADE NEGOTIATIONS.

E) IN CONNECTION WITH A PROPOSED NUCLEAR POWER PLANT, IN WHICH U.S. TECHNOLOGY IS INVOLVED (VIA A GERMAN SUBSIDARY), THE EMBASSY HAS PROVIDED THE MINISTRIES OF HEALTH AND ECONOMICS WITH INFORMATION ON NUCLEAR SAFETY AND SAFEGUARDS. RECENTLY THE EMBASSY ARRANGED FOR THE VISIT OF A SENIOR DEPARTMENT OF ENERGY OFFICIAL, AS WELL AS A SPENT NUCLEAR FUEL TEAM, TO BRIEF THE GOL ON U.S. NUCLEAR POLICY, ACTIVITIES AND STANDARDS.

4. HUMAN RIGHTS.

A) BECAUSE OF ITS SIZE AND HISTORY, LUXEMBOURG'S COMMITMENT TO HUMAN RIGHTS IS STRONGER THAN PERHAPS ANY OTHER EUROPEAN COUNTRY. MINISTER OF JUSTICE,
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ROBERT KRIEPS, HIMSELF AN INTERNEE IN A NAZI CONCENTRATION CAMP DURING THE WAR, IS AN OUTSPOKEN CHAMPION OF HUMAN RIGHTS, AS IS PRIME MINISTER THORN.

5. PUBLIC AFFAIRS

A) DESPITE THE FACT THAT THERE ARE NO USIS PERSONNEL AT THIS POST, THE EMBASSY HAS ATTEMPTED TO CARRY OUT A VIGOROUS PUBLIC AFFAIRS PROGRAM IN LUXEMBOURG. WE INFORMALLY SUBMITTED A PUBLIC AFFAIRS COUNTRY PLAN TO USIA OFFICIALS IN WASHINGTON WHICH RECEIVED FAVORABLE COMMENT AND WHICH WE WERE ENCOURAGED TO IMPLEMENT. USIA HAS MADE SUFFICIENT FUNDS AVAILABLE FOR THE EMBASSY'S PROGRAM THROUGH USIS PARIS AND BOTH USIS PARIS AND USIS BRUSSELS HAVE PROVIDED TECHNICAL ASSISTANCE AND SUPPORT. TO MEET US GOALS AND OBJECTIVES IN THE PUBLIC AFFAIRS AREA, HOWEVER, I AM CONVINCED THAT WE NEED SOMEONE WHO CAN WORK FULL TIME IN THE PROGRAM. I HAVE, THEREFORE, REQUESTED THE ESTABLISHMENT OF A USIS LOCAL POSITION AT THIS POST.

B) IN THE CULTURAL FIELD, THE EMBASSY HAS ALREADY SCHEDULED OR IS ATTEMPTING TO SCHEDULE DURING THE NEXT SIX MONTHS TWO CONCERTS, A PHOTOGRAPHY EXHIBITION, A SERIES OF THREE ROUNDTABLE DISCUSSIONS ON US-EUROPEAN ISSUE, SEVERAL U.S. MILITARY BAND PERFORMANCES AND A FIVE DAY VISIT FOR SEVEN YOUNG LUXEMBOURG LEADERS TO NATO HEADQUARTERS IN BRUSSELS AND TO THE SIXTH FLEET IN NAPLES.

C) IN ADDITION TO OFFICIAL EMBASSY PUBLIC AFFAIRS ACTIVITIES, WE HAVE TRIED TO STIMULATE INTEREST IN UNOFFICIAL PROGRAMS. I DISCOVERED THAT PRIVATE FUNDS ARE AVAILABLE FOR THE ESTABLISHMENT HERE OF SOME SORT OF FOREIGN AFFAIRS DISCUSSION GROUP MODELED ON THE COUNCIL ON FOREIGN RELATIONS. IF THE RIGHT DIRECTOR CAN BE FOUND AND IF THERE IS SUFFICIENT INTEREST AMONG LUXEMBOURGERS, SUCH AN ORGANIZATION COULD BRING PRESTIGIOUS SPEAKERS, INCLUDING
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AMERICANS TO LUXEMBOURG FOR CONFERENCES AND SEMINARS. IN

ADDITION AT MY SUGGESTION A WEALTHY AMERICAN RESIDENT OF LUXEMBOURG HAS AGREED TO FUND A SCHOLARSHIP FOR A LUXEMBOURG STUDENT AT THE BOLOGNA CENTER OF JOHNS HOPKINS UNIVERSITY.

6. DIFFERENCES OF OPINION WITHIN THE MISSION: AS FAR AS I AM AWARE, THERE ARE NO DIFFERENCES OF OPINION WITHIN THE MISSION ON POLICY ISSUES. CERTAINLY NONE HAS BEEN BROUGHT TO MY ATTENTION. ON NON-POLICY ISSUES, THE CONSULAR OFFICER, WHO HAS THE COLLATERAL RESPONSIBILITY FOR PUBLIC AFFAIRS, WISHES TO REGISTER HIS DISAGREEMENT WITH MY JUDGMENT THAT A FULL TIME USIS LOCAL POSITION MUST BE ESTABLISHED IF THIS POST IS TO HAVE AN EFFECTIVE PUBLIC AFFAIRS PROGRAM (PARA 5.A ABOVE).

7. OTHER AGENCY PARTICIPATION.

DEFENSE ATTACHES, THE OFFICE OF DEFENSE COOPERATION, A DEA OFFICER, AND AN AGRICULTURAL ATTACHE ARE ACCREDITED TO LUXEMBOURG BUT RESIDENT IN BRUSSELS. THEY PARTICIPATE ONCE A MONTH IN AN EMBASSY STAFF MEETING AND ARE IN FREQUENT TOUCH WITH THEIR GOL COUNTERPARTS AND WITH EMBASSY OFFICERS. ON VARIOUS ISSUES THEIR PARTICIPATION CAN BE EXTENSIVE. THE DEA, FOR EXAMPLE, WORKS CLOSELY WITH LUXEMBOURG POLICE AND CUSTOMS OFFICIALS TO TRY TO INTERDICT THE USE OF LUXEMBOURG AS A TRANSIT POINT IN INTERNATIONAL NARCOTICS SMUGGLING. THE OFFICE OF DEFENSE COOPERATION HAS PLAYED A KEY ROLE IN THE ARMY STORAGE NEGOTIATIONS. IN GENERAL THE PARTICIPATION OF OTHER AGENCIES IS SATISFACTORY.

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